

DRAFT: JQReber/cw
17 July 1957

MEMORANDUM FOR: Deputy Director of Central Intelligence

SUBJECT: Program Analysis

1. This paper contains recommendations for action in paragraph 3 below.

2. The attached paper on Program Analysis is prepared in response to your instruction of 5 October 1955 and has the concurrence of the DD/I, DD/S, and DD/P. You would have a right to be curious about the time required to produce this study. I must explain that the principal delay has been caused by the fact that the final draft was prepared on 26 April 1956, but the concurrence and contribution of the office of the DD/S were received on 15 July 1957.

3. Recommendation. I recommend that you approve the attached paper except for conclusion 3 e and recommendation 4 b for which I submit the following alternate language:

Alternate Conclusion 3 e. That the SA/PC/DCI, either on direction of the DCI or on his own initiative, make a special analysis of any approved program or project of the Agency for the purpose of recommending to the Director whether in his view

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the continuation of such program or project is still desirable in terms of the cost involved.

Alternate Recommendation 4 b. That you sign the attached memorandum at Tab G to the SA/PC/DCI authorizing the implementation of Conclusion 3 e.

RMB

4. My reason for the above proposal is that I am most reluctant to see my office encumbered by an analysis process which may turn out to be a good deal bigger than can be accomplished by the addition of the two people as has been proposed in the study. There may well be some additional review which would reassure you in terms of performance regarding earlier decisions or permit you to terminate programs or projects if not reassured, or possibly only to modify them. If, from a more selective approach indicated by the changes I propose, you conclude that this is useful and should be extended, consideration might then be given to expansion of my staff for this purpose.

Recommendation.

5./ Accordingly, I recommend that you approve the conclusions in paragraph 3 and the recommendations in paragraph 4 of the attached paper subject to the substitution of the language proposed in paragraph 3 above.

RMB

Attachment

6. I am fully conscious of the fact that Program Analysis is not defined though the DDCI's instruction seems to consider that it is the same as "integration of statistical and financial analyses with substantive and operational analyses of the Agency's activities". After long hours of debate with my committee, it is only fair to say if any one of them really knows what this means the others can't be sure they agree with him. Perhaps the best way to define the term Program Analysis is as follows: To investigate the performance of a project to reaffirm or lose one's conviction that it's still a good idea in terms of cost.

7. I recommend that you sign the paper to the Director with a nonconcurrence in regard to conclusion e in paragraph 3 and a modification of recommendation 2 in recommendation b in paragraph 4, the argument for which is set forth in your concurrence note to the DDCI. Let me state here, however, what I feel is inappropriate to state in the note to the Deputy Director though you may feel differently: That the original conclusion 3 e and the recommendation 4 b have the effect of buttressing the mechanism of the PRC. We doubt the wisdom of that in view of the fact that you, Wally, and myself, to put it mildly, doubt the necessity for or wisdom of the PRC mechanism.

8. In the event that you accept the proposal set forth herewith, I would further recommend that upon your signature copies of your

comment and the original paper be forwarded to the Deputy Directors simultaneously with the forwarding of the original to the DDCI for their information rather than requesting me to discuss this matter further.

JAMES Q. REBER
Office of the Director
Planning and Coordination Staff

Attachments

TAB G

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MEMORANDUM FOR: SA/PC/DCI

SUBJECT: Program Analysis

1. From time to time, I have had real concern as to whether existing programs or projects merit the expenditure of funds approved. This is to inform you that hereafter in such instance I will call upon you to make a review of a given program or project with a request that you submit recommendations to me as to whether the programs or projects are in your view meeting the objectives and whether the costs involved are justified in terms of the objective. You may on your own initiative make such a review on programs and projects as you believe required.

2. In conducting these reviews, you are free to request from relevant offices any information required for the purpose. Such reviews, when submitted to me, should also be submitted for their information to the Deputy Directors concerned though their concurrence is not required.

DCI